



PSC NEWS

Missouri Public Service Commission

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PSC SETS INTERVENTION DEADLINE IN NATURAL GAS SYSTEM ACQUISITION CASE

Jefferson City (November 8, 2004)--Missouri Gas Utility, Inc. (MGU) has filed an application with the Missouri Public Service Commission seeking a certificate of public convenience and necessity in order to operate the gas distribution systems of the cities of Gallatin and Hamilton, Missouri as a public utility. Also, MGU seeks Commission authority to encumber those assets in connection with its acquisition of the systems along with approval to acquire the municipal gas system of those cities.

According to the application, MGU seeks to acquire the natural gas systems currently operated by the cities of Gallatin and Hamilton. These cities, according to the application, formerly operated the systems under lease-purchase agreements. However, MGU indicates that the cities have defaulted on those agreements and as a result, there are currently no gas supply contracts in place for the winter season. MGU states it is attempting to purchase the systems from the trustees and to complete the transactions in sufficient time to prevent the disruption of gas service to Gallatin and Hamilton customers.

On November 3, 2004, the PSC Staff filed a motion for expedited treatment of the application. Staff noted that Gallatin and Hamilton have less than one-fourth of the natural gas needed for the winter season of November 1, 2004, through April 30, 2005. In addition, Staff states there is no entity arranging gas supply contracts for the winter heating season. The PSC Staff says that it appears that the current natural gas in storage will not last past approximately December 1, 2004.

Applications to intervene and participate in this case must be filed on or before **November 12, 2004**, with the Secretary of the Missouri Public Service Commission, P.O. Box 360, Jefferson City, Missouri 65102. Copies of the application should be sent to: Dean L. Cooper, Brydon, Swearingen & England, P.C., 312 East Capitol Avenue, P.O. Box 456, Jefferson City, Missouri 65102; and the Office of the Public Counsel, P.O. Box 2230, Jefferson City, Missouri 65102.

The City of Gallatin Natural Gas Distribution System serves the City of Gallatin and surrounding communities. The system currently has approximately 460 customers. The City of Hamilton Natural Gas Distribution System serves the City of Hamilton and surrounding areas. The system currently serves 277 customers.

MGU is a Colorado corporation. Its principal office is located in Gallatin, Missouri. It is a subsidiary of CNG Holdings, Inc. whose principal office is located in Littleton, Colorado.

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